

**CONFERENCE COMMITTEE REPORT
DIGEST FOR ESB 206**

Citations Affected: IC 25-26-21.

Synopsis: Home medical equipment services providers. Conference committee report for ESB 206. Requires a home medical equipment services provider to be licensed by the board of pharmacy. Authorizes the board to conduct inspections, issue licenses, discipline providers for violations, and adopt rules to: (1) specify the equipment to be regulated; (2) set standards for the licensure of services providers; (3) govern the safety and quality of services that are provided; and (4) set reasonable fees for the application, issuance, and renewal of a license. Makes conforming changes. **(This conference committee report: (1) removes provisions concerning home health agencies and personal service agencies; and (2) provisions concerning temporary licenses.)**

Effective: July 1, 2005.

CONFERENCE COMMITTEE REPORT

MADAM PRESIDENT:

Your Conference Committee appointed to confer with a like committee from the House upon Engrossed House Amendments to Engrossed Senate Bill No. 206 respectfully reports that said two committees have conferred and agreed as follows to wit:

that the Senate recede from its dissent from all House amendments and that the Senate now concur in all House amendments to the bill and that the bill be further amended as follows:

- 1 Delete everything after the enacting clause and insert the following:
- 2 SECTION 1. IC 25-26-21 IS ADDED TO THE INDIANA CODE
- 3 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
- 4 JULY 1, 2005]:
- 5 **Chapter 21. Home Medical Equipment Services Providers**
- 6 **Sec. 1. As used in this chapter, "board" refers to the Indiana**
- 7 **board of pharmacy established by IC 25-26-13-3.**
- 8 **Sec. 2. As used in this chapter, "home medical equipment" means**
- 9 **technologically sophisticated medical devices that may be used in**
- 10 **a residence, including the following:**
- 11 **(1) Oxygen and oxygen delivery systems.**
- 12 **(2) Ventilators.**
- 13 **(3) Respiratory disease management devices.**
- 14 **(4) Continuous positive airway pressure (CPAP) devices.**
- 15 **(5) Electronic and computerized wheelchairs and seating**
- 16 **systems.**
- 17 **(6) Apnea monitors.**
- 18 **(7) Transcutaneous electrical nerve stimulator (TENS) units.**
- 19 **(8) Low air loss cutaneous pressure management devices.**
- 20 **(9) Sequential compression devices.**
- 21 **(10) Feeding pumps.**
- 22 **(11) Home phototherapy devices.**

(12) Infusion delivery devices.

(13) Distribution of medical gases to end users for human consumption.

(14) Hospital beds.

(15) Nebulizers.

(16) Other similar equipment determined by the board in rules adopted under section 7 of this chapter.

Sec. 3. As used in this chapter, "home medical equipment services" means the:

(1) sale;

(2) rental;

(3) delivery;

(4) installation;

(5) maintenance or replacement; or

(6) instruction in the use;

of medical equipment used by an individual that allows the individual to reside in a noninstitutional environment.

Sec. 4. As used in this chapter, "provider" means a person engaged in the business of providing home medical equipment services to an unrelated individual in the individual's residence.

Sec. 5. (a) This chapter does not apply to the following:

(1) A home health agency (as defined in IC 16-27-1-2) that does not sell, lease, or rent home medical equipment.

(2) A hospital licensed under IC 16-21-2 that:

(A) provides home medical equipment services only as an integral part of patient care; and

(B) does not provide home medical equipment services through a separate business entity.

(3) A manufacturer or wholesale distributor that does not sell, lease, or rent home medical equipment directly to a consumer.

(4) Except as provided under subsection (b), a practitioner (as defined in IC 25-1-9-2) who does not sell, lease, or rent home medical equipment.

(5) A veterinarian licensed under IC 15-5-1.1.

(6) A hospice program (as defined in IC 16-25-1.1-4) that does not sell, lease, or rent home medical equipment.

(7) A health facility licensed under IC 16-28 that does not sell, lease, or rent home medical equipment.

(8) A provider that:

(A) provides home medical equipment services within the scope of the licensed provider's professional practice;

(B) is otherwise licensed by the state; and

(C) receives annual continuing education that is documented by the provider or the licensing entity.

(9) An employee of a person licensed under this chapter.

(b) A pharmacist licensed in Indiana or a pharmacy that holds a permit issued under IC 25-26 that sells, leases, or rents home medical equipment:

(1) is not required to obtain a license under this chapter; and

(2) is otherwise subject to the:

(A) requirements of this chapter; and

1 (B) requirements established by the board by rule under this
2 chapter.

3 Sec. 6. (a) A person seeking to provide home medical equipment
4 services in Indiana shall apply to the board for a license in the
5 manner prescribed by the board.

6 (b) A provider shall do the following:

7 (1) Comply with:

8 (A) federal and state law; and

9 (B) regulatory requirements;
10 for home medical equipment services.

11 (2) Maintain a physical facility and medical equipment
12 inventory in Indiana.

13 (3) Purchase and maintain in an amount determined by the
14 board:

15 (A) product liability insurance; and

16 (B) professional liability insurance;

17 and maintain proof of the insurance coverage.

18 (4) Establish procedures to ensure that an employee or a
19 contractor of the provider who is engaged in the following
20 home medical equipment activities receives annual training:

21 (A) Delivery.

22 (B) Orientation of a patient in the use of home medical
23 equipment.

24 (C) Reimbursement assistance.

25 (D) Maintenance.

26 (E) Repair.

27 (F) Cleaning and inventory control.

28 (G) Administration of home medical equipment services.

29 The provider shall maintain documentation of the annual
30 training received by each employee or contractor.

31 (5) Maintain clinical records on a customer receiving home
32 medical equipment services.

33 (6) Establish home medical equipment maintenance and
34 personnel policies.

35 (7) Provide home medical equipment emergency maintenance
36 services available twenty-four (24) hours a day.

37 (8) Comply with the rules adopted by the board under this
38 chapter.

39 Sec. 7. (a) The board may adopt rules under IC 4-22-2 to do the
40 following:

41 (1) Specify home medical equipment in addition to the home
42 medical equipment set forth in section 2 of this chapter that is
43 to be regulated under this chapter.

44 (2) Set standards for the licensure of providers.

45 (3) Govern the safety and quality of home medical equipment
46 services that are provided to customers.

47 (4) Specify the amount of insurance coverage required under
48 section 6(b)(3) of this chapter.

49 (5) Set reasonable fees for the application, issuance, and
50 renewal of a license under this chapter and set other fees
51 permitted under IC 25-1-8.

(b) The board may consult with individuals engaged in the home medical equipment services business to advise the board on the formulation of rules under subsection (a). The individuals may not be compensated or reimbursed for mileage by the board.

Sec. 8. (a) After June 30, 2006, a provider must be licensed by the board before the provider may provide home medical equipment services. If a provider provides home medical equipment services from more than one (1) location in Indiana, the provider must obtain a license under this chapter for each location.

(b) An applicant shall submit the application to the board on a form adopted by the board. The nonrefundable application fee set by the board must be submitted with the application. The fee must be deposited in the state general fund.

(c) If the board determines that the applicant:

(1) meets the standards set forth by the board; and

(2) has satisfied the requirements under this chapter and the requirements established by the board by rule;

the board shall notify the applicant in writing that the license is being issued to the applicant. The license is effective on the applicant's receipt of the written notification.

(d) A license issued under this chapter is effective for not more than two (2) years, beginning on a date determined by the board. An entity that is licensed under this chapter shall display the license or a copy of the license on the licensed premises.

(e) The board may renew a license every two (2) years.

Sec. 9. (a) The board may inspect the operations and facilities of an applicant for a license under this chapter to determine whether to issue the applicant a license.

(b) The board may conduct random inspections at any time for the following reasons:

(1) To ensure the integrity and effectiveness of the licensing process.

(2) To investigate a consumer complaint or a complaint by a qualified source as identified by the board.

(3) To ensure continuing compliance with the licensing requirements under this chapter.

(c) The board shall provide the provider a report of the board's findings after the board completes an investigation under this section.

(d) A provider that disputes the report in subsection (c) may file an appeal under IC 4-21.5 with the board not later than thirty (30) days after receipt of the report. The board shall review the inspection report and, upon the provider's request, conduct a new inspection.

(e) The board shall employ qualified inspectors to investigate complaints and conduct inspections. Investigators may review and audit records under an investigation or inspection during the inspected facility's normal business hours at the place of business of the provider being investigated.

(f) The board and the board's employees may not disclose confidential information obtained during an investigation except:

- (1) during a disciplinary hearing held under section 10 of this chapter; or
- (2) under a court order.

Sec. 10. The board may discipline the holder of a license under IC 25-1-9 after a hearing or for any of the following reasons:

- (1) Violation of this chapter or violation of a rule established by the board.
- (2) Violation of a board order.
- (3) Failure to meet the standards set forth in section 6(b) of this chapter.
- (4) The conviction or plea of guilty for a felony or misdemeanor that:
 - (A) involves fraud or deceit; or
 - (B) is directly related to providing home medical equipment services.
- (5) Negligence or gross misconduct in providing home medical equipment services.
- (6) The aid, assistance, or willful allowance of another person in violating a provision under this chapter or a rule adopted by the board.
- (7) Failure to provide information within sixty (60) days in response to a written request from the board.
- (8) The engagement in conduct that is likely to deceive, defraud, or harm the public.
- (9) Denial, revocation, suspension, or restriction of a license in another state or jurisdiction to provide home medical equipment services for a reason other than the failure to renew the license.
- (10) The receipt of a fee, commission, rebate, or other form of compensation for services not rendered.
- (11) Knowingly making or filing false records, reports, or billings in the course of providing home medical equipment services, including false records, reports, or billings prepared for or submitted to state or federal agencies or departments.
- (12) Failure to comply with federal rules issued under the federal Medicare program (42 U.S.C. 1395 et seq.) relating to operations, financial transactions, and general business practices of home medical equipment services providers.

Sec. 11. (a) A person who engages in the business of home medical equipment services and who:

- (1) is required to be licensed under this chapter; and
- (2) knowingly provides home medical equipment services without a license issued under this chapter;

commits a Class A misdemeanor.

(b) Each day a violation of this section continues constitutes a separate offense.

(c) The board may, in the name of the state and through the

1 **attorney general, apply in a court to enjoin a person from**
2 **providing home medical equipment services in violation of this**
3 **chapter.**

(Reference is to ESB 206 as printed March 18, 2005.)

Conference Committee Report
on
Engrossed Senate Bill 206

Signed by:

Senator Dillon
Chairperson

Representative Lehe

Senator Breaux

Representative Reske

Senate Conferees

House Conferees